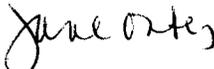


EMPLOYMENT AND TRAINING ADMINISTRATION ADVISORY SYSTEM U.S. DEPARTMENT OF LABOR Washington, D.C. 20210	CLASSIFICATION WIA/Performance Reporting
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ADVISORY: TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 23-09

TO: STATE WORKFORCE AGENCIES
STATE WORKFORCE ADMINISTRATORS
STATE WORKFORCE LIAISONS

FROM: JANE OATES 
Assistant Secretary

SUBJECT: Negotiating Performance Goals for the Workforce Investment Act Title 1B Programs and Wagner-Peyser Act Funded Activities for Program Year 2010

1. Purpose. To inform states of the guidelines for negotiating Workforce Investment Act (WIA) Title 1B performance and customer satisfaction goals and performance levels for the Wagner-Peyser Act funded activities for Program Year (PY) 2010. These performance goals, once they are agreed upon between the state and the Employment and Training Administration (ETA), will be incorporated into the State's Strategic Plan for the WIA and Wagner-Peyser Act.

2. References.

- WIA Section 136.
- WIA regulations at 20 CFR Part 666 and Part 661.
- Training and Employment Guidance Letter (TEGL) No. 9-08 and 9-08 Change 1, *Negotiating Performance Goals for the Workforce Investment Act, Title 1B Programs and Wagner-Peyser Act Funded Activities for Program Year 2009.*
- TEGL No. 14-08, and TEGL 14-08, Change 1, *Guidance for Implementation of the Workforce Investment Act and Wagner-Peyser Act Funding in the American Recovery and Reinvestment Act of 2009 and State Planning Requirements for Program Year 2009.*
- TEGL No. 9-07, *Revised Incentive and Sanction Policy for Workforce Investment Act Title 1B Programs.*
- TEGL No. 17-05, *Common Measures Policy for the Employment and Training Administration's (ETA) Performance Accountability System and Related Performance Issues.*
- TEGL No. 17-05, Change 2
- TEGL No. 11-01, *Guidance on Revising Workforce Investment Act State Negotiated Levels of Performance.*

RESCISSIONS TEGL 9-08	EXPIRATION DATE Continuing
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3. Background. The intent of this guidance is to clarify the performance measures for which states will be held accountable in PY 2010, provide an outline of the negotiations process and provide descriptions of tools available for use during the negotiations process. The negotiations process across the system has been improved by the consistent use of these tools to do the required analysis, which are available as attachments to this guidance, as well as through ETA's performance Web site at <http://www.doleta.gov/performance/guidance/negotiating.cfm>.

Furthermore, this guidance provides national performance targets required for the Government Performance and Results Act of 1993 (GPRA), also referred to as the "GPRA goals." The levels set as GPRA goals provide information by which Congress and the Office of Management and Budget evaluate the success of Federal programs, including those operated by states and localities.

This guidance describes actions taken to address the effects of the current recession on the GPRA goals over the next few years. The impact of economic conditions on WIA performance led the Department to develop a regression model that adjusts performance levels to be utilized in PY 2011 as part of the performance negotiations process for states and local workforce areas, with an option for states to volunteer for early implementation in setting PY 2010 performance goals.

4. Changes to the Negotiations Process. In general, the process for this current round of negotiations will be similar to the process used in PY 2009. Negotiations will continue to take place between the states and the corresponding ETA regional offices, and specific guidance regarding contacts and timeframes will be provided to the states by the appropriate regional office (the actual process steps are described in more detail in section 7.C of this guidance). As was the case for the last round of negotiations, states will be required to establish PY 2010 performance levels for the Wagner-Peyser Act component of the State Plans at the same time as they negotiate performance levels for the WIA Title 1B programs. States have the option, as they did in PY 2009, of extending their current goals. States may extend their negotiated PY 2009 goals into PY 2010 or they may negotiate new goals for PY 2010. As part of the negotiation process, states may volunteer to utilize statistical analysis to help establish the performance levels for PY 2010. States that choose either option (extending PY 2009 negotiated goals or negotiating new goals for PY 2010) must notify their appropriate Regional Administrator no later than April 30, 2010.

5. Methodology for Assessing Performance Against Negotiated Levels. For both the WIA Title 1B programs and the Wagner-Peyser Act programs, the upper bound of the performance range will be the negotiated level of performance for the measure, while the lower bound of the range for acceptable performance is 80% of the negotiated level of performance. Performance on an individual measure will be interpreted based on the outcome's position relative to the two boundaries for a measure as follows:

- **Exceeds** - when the actual performance achieved against an individual performance measure is in excess of 100% of the negotiated level of performance for the measure;

- **Meets** - when the actual performance achieved against an individual performance measure falls in the range of 80 to 100% of the negotiated level of performance for the measure; and
- **Fails** - when the actual performance achieved against an individual performance measure is less than 80% of the negotiated level of performance.

For example, if a state negotiates a 90.0% goal for the employment retention rate indicator, the state would:

- **Exceed** the goal if the actual performance level achieved was greater than 90.0%;
- **Meet** the goal if the actual performance level achieved was greater than or equal to 72.0% and less than 90.0%; and,
- **Fail** the goal if the actual performance level achieved was less than 72.0%.

While whole percentages are used in this example, it should be noted that this is simply because 80% of the negotiated 90% happens to be exactly 72%; there will be no rounding in interpreting performance results. Negotiated performance levels and results are stated to the tenth of a percent. States may continue to use additional distinctions to differentiate performance within the **Meets** category.

These three categories align with WIA regulations (http://www.doleta.gov/performance/guidance/laws_regs.cfm):

666.220(b)(3) The State exceeded the State negotiated levels of performance for title I, the levels of performance under title II and the levels for vocational and technical programs under Carl D. Perkins Vocational and Technical Education Act. (WIA sec. 503 (b))

666.230(a)(2) The extent to which the negotiated levels of performance were exceeded; and

666.240(d) Only performance that is less than 80 percent of the negotiated levels will be deemed to be a failure to achieve negotiated levels of performance.

Please note that for purposes of WIA incentive grant eligibility, a state must meet at least 90 percent of the negotiated level for each applicable WIA performance measure to be considered eligible for an incentive.

6. Applicable Performance Measures for the PY 2010 Performance Negotiations Process.

The negotiations process will focus on establishing agreed-upon levels of performance for 20 performance levels for the WIA and Wagner-Peyser programs. The 20 performance measures include 17 WIA indicators of performance (15 Adult, Dislocated Worker and

Youth program measures and the two customer satisfaction indicators) and three Wagner-Peyser performance measures.

For those states that have requested a waiver to report against the WIA Adult and Youth common performance measures only, and have received approval to do so in accordance with the waiver authority granted to the Secretary at WIA section 189(i)(4), the negotiations process will focus on establishing a total of nine agreed-upon levels of performance for the WIA Adult, Dislocated Worker and Youth programs and the three Wagner-Peyser measures. For these waiver states, the three Adult common measures will be applied separately to the WIA Adult and Dislocated Worker programs, and the three Youth common measures will be applied to the WIA Youth program. The table below summarizes the performance measures involved in the negotiations process.

Applicable Performance Measures

WIA Measures (Majority of States)				Common Measures (Waiver States)			Wagner-Peyser Measures (All States)
Adult	Dislocated Worker	Youth	Customer Satisfaction	Adult	Dislocated Worker	Youth	
Entered Employment Rate	Entered Employment Rate	Older Youth Entered Employment Rate	Participant American Customer Satisfaction Index	Entered Employment Rate	Entered Employment Rate	Placement in Employment or Education	Entered Employment Rate for Total Exiters
Employment Retention Rate	Employment Retention Rate	Older Youth Employment Retention Rate	Employer American Customer Satisfaction Index	Employment Retention Rate	Employment Retention Rate	Attainment of a Degree or Certificate	Employment Retention Rate for Total Exiters
Employment and Credential Rate	Employment and Credential Rate	Older Youth Credential Rate		Average Six Months Earnings	Average Six Months Earnings	Literacy and Numeracy Gains	Average Six Months Earnings for Total Exiters
Average Six Months Earnings	Average Six Months Earnings	Older Youth Earnings Change Younger Youth Skill Attainment Rate Younger Youth Diploma or Equivalent Rate Younger Youth Retention Rate					

The source documents with the definitions and related reporting specifications for the applicable performance measures follow:

- **The 17 WIA performance measures** - TEGL No. 17-05, "Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues" (<http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>); and the Workforce Investment Act Annual Report: General Reporting Instructions and ETA Form 9091, Revised 2010 (http://www.doleta.gov/performance/guidance/WIA/WIA_Annual_Report_Specifications_Expires_12312012.pdf)
- **The WIA Youth program common measures** - TEGL No. 17-05, "Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues" (<http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>); TEGL No. 17-05, Change 2, "Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues" (<http://wdr.doleta.gov/directives/attach/TEGL17-05c2acc.pdf>); and the Workforce Investment Act Annual Report; General Reporting Instructions and ETA Form 9091, Revised 2010 (http://www.doleta.gov/performance/guidance/WIA/WIA_Annual_Report_Specifications_Expires_12312012.pdf)
- **The three Wagner-Peyser program performance measures** - TEGL No. 17-05, "Common Measures Policy for the Employment and Training Administration (ETA) Performance Accountability System and Related Performance Issues" (<http://wdr.doleta.gov/directives/attach/TEGL17-05.pdf>); and the ETA 9002 and VETS 200 Data Preparation Handbook, ET Handbook No. 406, released in February 2009 (http://www.doleta.gov/performance/guidance/WIA/ET-406-Handbook-Expiration-022809_tookout%20on%20mar-16-07.pdf).

As is the case since PY 2007, all states will continue to collect and report against the three Youth common performance measures for the entire Youth population (Older and Younger Youth combined) in PY 2010. However, ETA will not consider performance against these measures in the incentive award and sanctions determinations for states that are accountable for outcomes on the 17 WIA measures. The exception is for states that have received an approved waiver to implement and report against the "WIA common performance measures only." These states will negotiate levels of performance for the Youth common measures and ETA will use these measures in the incentive and sanctions determinations.

Please note that for purposes of WIA incentive and sanctions determinations, the applicable performance measures are listed in TEGL 9-07, "Revised Incentive and Sanction Policy for Workforce Investment Act Title IB Programs" (<http://wdr.doleta.gov/directives/attach/TEGL09-07.pdf>).

States should also be aware that the Veterans' Employment and Training Service (VETS) will be issuing separate guidance on negotiating PY 2010 veterans' performance targets with state workforce agencies. This negotiation of specific levels of performance for veterans includes: 1) performance targets for those veterans served by One-Stop employment services; and, 2) grant-based performance targets for those veterans served through the Jobs for Veterans state grants.

7. Reaching Agreement on State Performance Levels. States should use negotiated levels of performance to drive continuous improvement and enhanced customer satisfaction. In proposing performance targets for both the WIA Title 1B and Wagner-Peyser programs, states should negotiate their goals within the context of integrated service delivery, priority of service, economic conditions, customers served, and workforce solutions that contribute to the regional economic competitiveness of their state and sub-state areas.

A. Customers to Be Served

The customers served by the local area may have a significant impact on outcomes, depending on the type of services, including entrepreneurial training, length of services, and other factors unique to the population.

ETA encourages states to serve those individuals with barriers to employment and individuals more at-risk of not connecting to the labor market, including those who were formerly incarcerated, the homeless, Veterans, individuals with disabilities and out-of-school youth. States should bring appropriate information to the negotiation process that demonstrates either their past performance in serving these populations and/or their current strategy for serving these populations.

ETA will consider adjusting performance targets to accommodate states currently serving a significant number of at-risk individuals who need higher levels of service to achieve a positive labor market outcome. States that have ongoing initiatives for serving at-risk individuals may work with their respective Regional Administrator to negotiate appropriate goals for PY 2010. During the negotiation process, states must provide data to support adjustments of goals based on numbers of individuals with barriers currently being served.

When negotiating the Youth goals, states should consider the importance of serving the neediest youth, especially out-of-school youth, including youth in foster care, youth in the juvenile justice system, children of incarcerated parents, and migrant youth, as well as youth with disabilities and Native American youth. States that transition to serving a higher percentage of these more difficult to serve populations should take into account the populations being served when proposing performance levels for the Youth goals. Serving a greater percentage of the neediest youth may impact outcomes. If states are serving a greater percentage of the neediest youth, they should provide data that shows how outcomes are impacted by serving this population.

When negotiating goals for the Adult program, states proposing new efforts to increase access to services for special populations that may face significant barriers (such as veterans, older workers, individuals with disabilities, migrant or seasonal farm workers, Indian and Native Americans, or Temporary Assistance for Needy Families (TANF) recipients), should provide data to show how these new efforts will impact WIA Adult, WIA Dislocated Worker and Wagner-Peyser Act outcomes. ETA supports efforts that will help states better tap into wider variety of available workers. Available performance data indicate that the workforce investment system's employment and training programs have positive impacts on individuals' employment, including traditionally underserved populations. ETA expects states to document how outcomes are impacted by changes in the mix of participants served.

Efforts to expand services to at-risk populations are consistent with the WIA legislation. Section 101(13) of WIA defines "eligible youth" as a low-income individual between the ages of 14 and 21 who is deficient in basic literacy skills, a school dropout, homeless, a runaway or foster child, pregnant or parenting, an offender, or an individual who requires additional assistance to compete an educational program or hold employment. Section 112(b)(17)(A)(iv) requires that the State Plan describe how the state will serve the employment and training needs of dislocated workers (including displaced homemakers), low-income individuals (including recipients of public assistance), individuals training for nontraditional employment, and other individuals with multiple barriers to employment (including older individuals and individuals with disabilities). Section 134(d)(4)(E) requires that priority shall be given to recipients of public assistance and other low-income individuals for intensive services and training services.

For future negotiations, ETA invites states to suggest mechanisms for expanding services to at-risk populations within our current performance framework. Suggestions should be emailed to ETAperforms@dol.gov.

B. Tools for Proposing Levels of Performance

The following tools and process guidelines provide a uniform framework for states to use to set performance goals that demonstrate this commitment. These tools and guidelines are designed to aid the negotiation process. Final performance levels must be negotiated and agreed upon by the state and the ETA Regional Administrator no later than June 30, 2010.

Prior to proposing levels of performance for the applicable performance measures to the appropriate Regional Administrator to begin the negotiations process as discussed further in Part B of this section (and **Attachment I**), states should review and make use of the following resources/tools to ensure that these factors have been considered in determining their proposed level and that there is a sound rationale for their proposed levels of performance:

- I. *Past performance.* States should use historical, annual performance information (PY 2006-2009) to inform projected levels of performance for PY 2010. Recent quarterly performance results should also be used to inform the performance path the state is

following. The Wagner-Peyser funded activities began reporting against the common performance measures in PY 2005 and now have four full years of data on which to base future performance projections. The Department anticipates that states will submit proposed levels of performance that reflect continuous improvement and additional experience, and show increases over the prior years' performance levels. However, it is recognized that performance levels may vary, up or down, based on prior performance and economic factors that are beyond the state's control. While states should have ready access to their own historical performance information, various tools and resources are available to examine states' historical performance data, including state by state files of the data (www.doleta.gov/Performance/results/wia_national_performance.cfm); VETS' performance data (<http://www.dol.gov/vets/vetoutcomes/index.htm>) and Bureau of Labor Statistics (BLS) data for employment, industries, counties, average earnings, etc. (www.bls.gov/cew/home.htm). When using BLS data as a guide, states should be careful to consider the timeframes covered by BLS employment and wage information, and the relative time periods in which WIA and Wagner-Peyser exiters enter employment and obtain post-program earnings.

II. GPRAs goals. Throughout the performance negotiation process, states should be aware of the GPRAs goals the Department has established through FY 2011. The regional offices will use the GPRAs goals as one of several benchmarks by which to gauge their states' proposed performance levels in the context of these national system goals. The GPRAs is an important mechanism by which Congress and the Office of Management and Budget evaluate the success of Federal programs, including those operated by states and localities. The GPRAs goals for the Department's WIA Adult and Dislocated Workers, and Wagner-Peyser programs in addition to other national programs, including new GPRAs measures for National Emergency Grants are listed in **Attachment II**, and more information is available at <http://www.doleta.gov/Performance/goals/gpra.cfm>.

III. National Distribution of WIA and Wagner-Peyser Performance Outcomes. ETA has utilized states' previously submitted annual performance data to provide information on the national averages and distribution of performance outcomes. These benchmarks serve as estimates that states and regions can refer to when setting goals to achieve continuous improvement. **Attachment III** presents WIA and Wagner-Peyser outcomes for the past eight program years (table 1) and the national distribution of performance outcomes for the past three program years (table 2).

IV. Average Six Months Earnings for WIA Adult and WIA Dislocated Worker Programs. **Attachment IV** presents this information by state for the past seven program years using state WIA annual report data.

V. Estimates of Six Months Average Earnings by State Using BLS-Quarterly Census of Employment and Wages (QCEW) Program Data. The QCEW is a cooperative program involving the BLS and the State Workforce Agencies that produces a comprehensive tabulation of employment and wage information for workers covered by state

unemployment insurance (UI) laws and federal workers covered by the Unemployment Compensation system. The QCEW contains data on the number of establishments, monthly employment, and quarterly wages, by North American Industry Classification System (NAICS) industry, by county and by ownership sector for the entire United States. At the state and local levels, the QCEW program publishes employment and wage data down to the 6-digit NAICS industry level. The QCEW data can serve as a resource to assist states in placing the results achieved under the average earnings measure for the WIA programs and Wagner-Peyser funded activities within the context of the average earnings for the overall workforce. **Attachment V** presents an estimate of this information by state for the past six years and also provides additional information on the methodologies used to develop these estimates and details on the data's coverage and limitations. As noted earlier, states should be careful to consider the timeframes covered by BLS wage information, and the relative time periods in which WIA and Wagner-Peyser exiters enter employment and obtain post-program earnings.

VI. Estimates of the effects of economic and demographic variables and other factors. WIA Section 136(b)(3)(A)(iv) (see <http://www.doleta.gov/usworkforce/wia/wialaw.htm#sec136>) addresses additional factors, such as differences in economic conditions, characteristics of participants, and services to be provided, that should be considered in the negotiation process. Consider the following additional detail on these and other factors:

- **Attachment VI** provides estimates of how various economic and demographic variables may impact outcomes. Please note that these estimates are based on national-level data, and do not necessarily reflect the economic conditions and client base unique to a state. Therefore, these estimates are not hard and fast reasons for adjusting performance goals up or down. Instead, they are provided as an example of how a state might analyze its own data in order to propose goals that take into account the characteristics of individuals served and economic conditions in the state. In applying these variables, it is also important to recognize that the different performance measures may not be affected by the same variable in the same way because of the lag associated with the calculation of some of the performance measures. For example, a given state's economy could project no job growth for 2010, which could have a strong affect on the negotiated entered employment rate for PY 2010, but a lesser affect on the employment retention and six month average earnings measures for PY 2010, because the individuals included in those measures for PY 2010 reporting purposes would have been employed prior to the start of calendar year 2010 for the most part.
- **Attachment VII** contains a description of the time periods during which individuals will have to have exited program services to be included in the different performance measures. This attachment will assist states in their

analysis of the impact of a given variable on the different measures against which the state will be negotiating levels for PY 2010 (and including in their WIA Annual Report submissions for PY 2010).

C. Process for Reaching Agreement on State Performance Levels

The process for reaching agreement on state performance levels will include the following steps, as outlined in the attached timeline (**Attachment I**):

- I. After conducting their own analysis of factors that may affect performance, as discussed above (in Part A of this section), states will propose levels of performance for each of the applicable performance measures for PY 2010 by submitting these proposed levels to the Regional Administrator serving the state. Proposed performance levels should be stated to a tenth of a percent (XX.X%) and must be submitted to the appropriate Regional Administrator no later than April 30, 2010; however, regional offices will work with states to begin the negotiation process prior to that date and in parallel with the planning process in order to ensure that final levels are agreed upon by June 30, 2010.

When submitting the proposed levels, states should provide the following as support for the levels (see Part II, Section X, Subpart C, Item 1 of the Stand-Alone Planning Guidance or State Planning Guidance or Part III, Section K, Item 1(a)(i) of the Unified Planning Guidance):

- The methodology used for developing proposed levels of performance, including a description of data sources, calculations, and additional environmental factors (such as those previously addressed in TEG 9-07, and discussed in sections 5 - 7 of this guidance.)
- How the target levels will promote continuous improvement in state performance.

When submitting the proposed levels for review, states should also include a discussion of how the proposed levels will positively impact customer satisfaction with services received and the extent to which the proposed levels ensure optimal return on investment of Federal funds. (See WIA Section 136(b)(3)(A)(iii) and (iv).)

- II. The regional office will review the analyses used by the state to develop the proposed performance levels and will work with the state to set mutually agreed-upon levels of performance. Regional offices will take into account the environmental factors addressed by the state, including current and future economic conditions. The regional office will consider the proposed levels in light of previously negotiated goals, past performance results, and the national GPRA goals. Additionally, regional offices will consider the quality of the data presented by the state, including its relevance, source, the time period from which it is drawn, and whether the data is part of a trend or is anomalous.

The negotiations process will focus on whether each performance level appears appropriate in light of statutory criteria and this guidance, and the adequacy of any information the state offers to substantiate each level. If regional offices determine through their analysis that a state could increase its proposed performance levels to more fully support continuous improvement and customer satisfaction strategies, they will negotiate with the state to obtain higher mutually agreed-upon performance levels.

- III. Once the performance levels are agreed upon, the Regional Administrator will send a letter to the state confirming the agreed-upon levels. This letter constitutes a modification to the State Plan and serves to incorporate the agreed upon performance goals into the State Strategic Plan.

8. Inclusion of Performance Goals in State Plans. States are required to submit *proposed* levels of performance by April 30, 2010. States can submit the proposed performance levels either with the modification request that revises the current State Plan, or with the letter requesting an extension of the current State Plan, or separately to the Regional Administrator. States should note that the proposed levels of performance are subject to the same public review and comment requirements that apply to State Plans and Plan modifications. When the state submits the proposed levels to ETA, the state should confirm that it has made the proposed levels available to the public for review and comment. States that have completed negotiations with ETA by April 30, 2010, can include their agreed-upon levels of performance for PY 2010 in the modification to the current State Plan, or with the letter requesting a one-year extension of the current State Plan.

In cases where final agreement on performance goals has not been reached until after the State Plan has been approved, the Regional Administrator's letter advising the states of the agreed-upon goals will constitute a modification to the State Plan. For subsequent revisions to performance goals during the life of the State Plan, the Regional Administrator's letter advising the state of the agreed upon goals will also constitute a modification to the State Plan. The state must ensure that the agreed-upon goals are included in the state's official copy of the State Plan, and that any published State Plan, on the state's Web site or through other forums, includes the agreed-upon goals. ETA will incorporate these performance goals into the Regional and National Office copies of the State Plan.

9. State and Local Regression Analysis. This TEGl also provides the GPRA goals. These goals support the FY 2011 Congressional Budget Justification, and were developed using a national regression model. Using these national GPRA goals as a guide, ETA encourages states and local workforce boards to adjust performance goals according to the local area labor market and economic conditions. ETA plans to fully implement the use of regression-based analysis as part of the negotiations process for states by PY 2011. At that time, the statistical analysis will also be made available for states to use in negotiations with their local Workforce Investment Boards (WIB).

Models for computing adjusted performance levels for each WIB can be computed with the state's adjusted performance levels as the point of departure. Using the same weights for

differences between a WIB and its state and each state to the nation, all levels should add up. To assist states in adjusting its levels, **Attachment VI** provides the multivariate adjustment factors for the WIA programs to consider for PY 2010 goal setting.

The Department plans on implementing the use of regression-based performance levels in the negotiations process with all states, down to the local level, in PY 2011. In the meantime, PY 2010 is an option year. States that volunteer to participate in PY 2010 will use the regression-adjusted levels as the basis of Federal-state performance target negotiations and will be encouraged to apply the regression results to their local levels. This phase-in approach allows ETA to address challenges to implementation before it goes to the national scale. In addition to the methodology, the state-by-state and WIB-by-WIB models for the PY 2009 performance indicators estimates will also be posted on the www.doleta.gov/Performance Web site.

10. Renegotiation of State Goals. WIA allows for the renegotiation of performance levels if circumstances arise that result in a significant change in the factors used to develop the original performance levels. Such criteria could include significant changes in economic conditions, changes in service mix, or changes in client characteristics. States should notify their regional office of any intent to renegotiate their performance. States that renegotiated goals should note that renegotiation after the end of the third quarter eliminates that state from the WIA incentives. TEGL 11-01 offers further guidance on renegotiating state goals.

Under 20 CFR 661.230(b)(2), a change in "performance indicators" is considered a substantial change that must be officially incorporated into the State Plan through a modification. Therefore, states must submit modifications to the State Plan reflecting the agreed upon performance levels. These plan modifications are subject to the same public review and comment requirements that apply to the development of the original State Plan. Therefore, the state must provide an opportunity for public comment on the modification prior to submission to the regional office. The agreed upon performance levels are incorporated into the state plans when the Regional Administrator approves the state's modification of its plan. Regional offices will monitor state progress toward achievement of the targets and may request a corrective action plan if a state does not appear on track to achieve its negotiated levels.

11. Action Required. States are requested to distribute this information to the appropriate state and local staff. The state-by-state and WIB-by-WIB performance goals for the WIA (Adult, Dislocated Workers and Youth) will be distributed to states that volunteer to implement early. To see the GPRA performance goals for the WIA and Wagner-Peyser programs, please refer to **Attachment II**. More information is available at: <http://www.doleta.gov/Performance/goals/gpra.cfm>.

12. Inquiries. Questions concerning this guidance may be directed to the appropriate regional office.

13. Attachments.

- Attachment I: Recommended Timeline for the Negotiation Process
- Attachment II: Performance Goal Levels Established for the Fiscal Year (FY) 2011 Congressional Budget Justification and the Government Performance and Results Act
- Attachment III: National Distribution of WIA and Wagner-Peyser Performance Outcomes
Table 1: National Averages of Performance Measure Outcomes, PY 2001 to PY 2008
Table 2: National Distribution of Performance Outcomes, PY 2005 to PY 2008
- Attachment IV: Average Six Months Earnings for WIA Adult and WIA Dislocated Worker Programs
- Attachment V: Estimates of Six Months Average Earnings by State Using BLS-QCEW Program Data
- Attachment VI: Multivariate Adjustment Factors (Economic and Demographic Variables)
- Attachment VII: Time Periods for Reporting Performance Information in the WIA Annual Report for PY 2009 to PY 2010

ATTACHMENT I
RECOMMENDED TIMELINE FOR THE NEGOTIATION PROCESS

DATE	ACTION
March 2010	<ul style="list-style-type: none"> • ETA regional offices provide technical assistance on strategic planning as requested by state, including procedures for negotiating performance goals
No later than April 30, 2010	<ul style="list-style-type: none"> • States send proposed performance levels to regional offices
April 30, 2010	<ul style="list-style-type: none"> • States formally submit state plans to ETA, including the proposed or final performance levels
May 2010	<ul style="list-style-type: none"> • Regional offices review states' proposed performance levels and work with states to arrive at mutually agreed upon levels
June 2010	<ul style="list-style-type: none"> • Negotiation continues if necessary
June 30, 2010	<ul style="list-style-type: none"> • Regional Administrators send approval letter to states regarding the final performance levels • ETA incorporates final performance levels into state plans
December 31, 2010	<ul style="list-style-type: none"> • States must notify their Regional Offices by the end of the second quarter if they plan to renegotiate their performance goals and still be included in that Program Year's incentive funds
March 31, 2011	<ul style="list-style-type: none"> • State may renegotiate their Performance goals through the end of the third quarter. States renegotiating their goals after the end of the second quarter are not eligible for that Program Year's WIA incentive funds.

ATTACHMENT II

PERFORMANCE GOAL LEVELS ESTABLISHED FOR THE FISCAL YEAR (FY) 2011 CONGRESSIONAL BUDGET JUSTIFICATION AND THE GOVERNMENT PERFORMANCE AND RESULTS ACT

Program	Measure	Results	TARGETS		
		2008	2009	2010	2011
Adults	Entered Employment	68.1%	65.5%	65.8%	66.8%
	Retention	83.5%	81.9%	82.1%	82.7%
	Earnings	\$14,649	\$13,741	\$13,848	\$14,205
Dislocated Workers	Entered Employment	67.6%	66.3%	66.5%	67%
	Retention	86%	84%	84.2%	85%
	Earnings	\$16,167	\$15,542	\$15,618	\$15,869
Employment Service	Entered Employment	59.7%	56.5%	56.9%	58.1%
	Retention	79.6%	76.6%	77%	78.2%
	Earnings	\$13,067	\$9,827	\$10,131	\$11,178
Senior Community Service Employment Program (SCSEP)	Entered Employment	48.1%	46.2%	46.5%	47.2%
	Retention	71.1%	69.7%	69.9%	70.4%
	Earnings	\$6,795	\$6,374	\$6,423	\$6,589
National Farmworker Jobs Program (NFJP-MSFW)	Entered Employment	80.3%	77.2%	77.6%	78.8%
	Retention	71.1%	69.7%	69.9%	70.4%
	Earnings	\$9,427	\$8,843	\$8,911	\$9,141
(Indian and Native American Program (INAP))	Entered Employment	62.6%	60.2%	60.5%	61.4%
	Retention	76.2%	74.7%	74.9%	75.5%
	Earnings	\$9,780	\$9,174	\$9,245	\$9,484
Work Incentive Grants (WIGs)	Entered Employment	NA	57.3%	--	--
	Retention	NA	78%	--	--
	Earnings	NA	\$10,189	--	--
Youth Services	Placement	60.6%	58%	58.3%	59.3%
	Attainment	53.9%	47.9%	48.5%	50.8%
	Literacy	37.5%	28.7%	29.5%	32.4%
YouthBuild	Placement	31.4%	36%	38%	40%
	Attainment	41%	baseline	TBD	TBD
	Literacy	28%	30%	32%	34%
Re-integration of Ex-Offenders	Entered Employment(PRI)	60%	57.7%	58%	58.9%
	Retention (PRI)	66%	64.7%	64.9%	65.4%
	Earnings (PRI)	\$10,002	\$9,382	\$9,455	\$9,699
	Recidivism (PRI) ¹	13%	22%	22%	22%
	Placement	50%	47.8%	48.5%	49.4%
	Recidivism Ages 14-17 ²	19%	16%	16%	16%

Program	Measure	Results	TARGETS		
		2008	2009	2010	2011
	Recidivism Over 18 ²	9%	17%	17%	17%
National Emergency Grants (NEGs)	Entered Employment	73.1%	67.1%	67.4%	68.5%
	Retention	85.7%	81.9%	82.1%	82.7%
	Earnings	\$15,108	\$12,488	\$12,585	\$12,910
NA: Data not available					
TBD: Baseline data collection underway. Goals to be set upon receipt of complete data results.					
¹ Goal based on program goal to reduce the recidivism rate by half of the national rate.					
² Baseline data collected from 3 of 15 grantees.					

Program	Measure	Results	TARGETS	
		2009	2010	2011
Trade Adjustment Assistance (TAA)	Entered Employment	69%	61.9%	62.7%
	Retention	88%	83.3%	83.9%
	Earnings	\$15,117	\$13,172	\$13,391
Apprenticeship	Entered Employment	70.2%	66.5%	67%
	Retention	83.2%	81.4%	85%
	Earnings	\$20,566	\$15,618	\$15,869
	Wage Gains	--	--	--
Unemployment Insurance (UI)	Timely 1 st Payments	82.9%	85.9%	86%
	Detection of Overpayments	52.9%	52.8%*	53.1%
	Reemployment	56.5%	58.6%	59.8%
	Timely Status Determinations	84.1%	90%	90.0%
Foreign Labor Certification (FLC)	H-1B	98%	100%	100%
	Permanent Labor	--	80%	81%
	H-2A	48%	53%	57%
	H-2B	43%	65%	72%
NA: Data not available				
TBD: Baseline data collection underway. Goals to be set upon receipt of complete data results.				
* Numerator and denominator of the ratio reflect varying influences in addition to economic conditions, such as correction of measurement errors, and the phase-in of national directory of new hires which affects the numerator and denominator in opposite directions.				

ATTACHMENT III

National Distribution of WIA and Wagner-Peyser Performance Outcomes, PY 2001 - PY 2008

Table 1: National Averages of Performance Measure Outcomes

Performance Measures	PY 2001	PY 2002	PY 2003	PY 2004	PY 2005 ¹	PY 2006	PY 2007	PY 2008
WIA Adults								
Entered Employment Rate	75.7%	75.1%	74.3%	77.1%	77.0%	70.2%	69.6%	68.1%
Employment Retention Rate	80.8%	82.7%	84.5%	86.2%	82.5%	82.4%	83.8%	83.5%
Average Earnings ³	\$9,950	\$9,396	\$10,348	\$10,773	\$11,208	\$11,870	\$13,575	\$14,649
Employment and Credential Rate	57.8%	61.5%	61.8%	65.6%	67.8%	67.6%	71.9%	54.9%
WIA Dislocated Worker								
Entered Employment Rate	81.6%	83.3%	81.3%	83.7%	83.2%	78.0%	72.5%	67.6%
Employment Retention Rate	87.6%	89.2%	90.2%	91.1%	88.1%	88.0%	87.2%	86.0%
Average Earnings ³	\$13,431	\$12,998	\$13,803	\$14,003	\$14,150	\$14,265	\$15,188	\$16,167
Employment and Credential Rate ²	61.8%	65.4%	64.6%	69.5%	71.3%	70.8%	73.2%	71.2%
WIA Older Youth²								
Entered Employment Rate	67.0%	69.5%	70.6%	73.6%	76.3%	76.4%	77.5%	75.5%
Employment Retention Rate	78.0%	79.5%	81.2%	82.7%	82.6%	82.6%	85.2%	84.9%
Average Earnings ³	\$3,081	\$2,938	\$3,167	\$3,547	\$3,769	\$3,765	\$3,980	\$4,148
Credential Rate ²	39.9%	46.2%	47.7%	52.0%	53.0%	54.1%	53.6%	52.3%
WIA Younger Youth²								
Diploma Attainment Rate	53.6%	63.1%	62.6%	65.8%	63.5%	68.5%	74.1%	74.4%
Employment Retention Rate	54.2%	59.5%	61.0%	64.8%	63.7%	70.1%	74.1%	74.6%
Skill Attainment Rate	82.9%	80.2%	83.0%	84.4%	81.5%	83.2%	86.1%	88.3%
WIA Youth⁴								
Placement in Employment or Education Rate	NA	NA	NA	NA	NA	60.3%	62.3%	60.6%
Attainment of Degree or Certificate	NA	NA	NA	NA	NA	43.5%	56.8%	53.9%
Literacy and Numeracy Gains	NA	NA	NA	NA	NA	NA	30.4%	37.5%
Wagner-Peyser								
Entered Employment Rate	NA	63.0%	61.0%	64.0%	63.0%	60.3%	62.0%	58.0%
Employment Retention Rate	NA	80.0%	80.0%	81.0%	80.0%	77.9%	81.0%	80.0%
Average Earnings ⁵	NA	NA	NA	NA	NA	\$11,747	\$12,763	\$15,590

Source: WIA State Annual and Wagner-Peyser State Quarterly Reports

Estimates of these outcomes were developed from state Workforce Investment Act Standardized Record Data (WIASRD) file submissions using common measures definitions.

Notes:

¹In PY 2005, these programs began reporting common measure, which standardized the definitions of performance indicators across these programs. This change in methodology had some impact on performance levels beginning in PY 2005; hence these data are not directly comparable to results of prior years.

²Ten states had a waiver to report on common measures only and did not report on the WIA Adult and Dislocated Worker credential rates or older/younger youth measures in PY 2006. 25 states had such a waiver in PY 2007.

³Average earnings figures for WIA Adult and Dislocated Worker programs for PY2001-2005 are approximations based on Workforce Investment Act Standardized Record Data. Earnings were measured as an earnings change for the WIA Adult program in PY 2001 -2005. This Adult measure changed to average earnings beginning in PY 2006. For the WIA Dislocated Worker program, earnings were measured as a wage replacement rate in PY 2001- 2004. In PY 2005, this measure changed to earnings changed for WIA Dislocated Worker program and further changed to average earnings beginning in PY 2006.

⁴States began reporting against the three Youth Common Performance Measures in PY 2006.

⁵Prior to PY 2006, average earnings were not tracked for the Wagner-Peyser program.

Table 2: National Distribution of Performance Outcomes

	Top 10% of States					Top 25% of States					Top 50% of States					Bottom 25% of States					Bottom 10% of States				
	PY 05	PY 06	PY 07	PY 08	Avg.	PY 05	PY 06	PY 07	PY 08	Avg.	PY 05	PY 06	PY 07	PY 08	Avg.	PY 05	PY 06	PY 07	PY 08	Avg.	PY 05	PY 06	PY 07	PY 08	Avg.
WIA Adults																									
Entered Employment Rate	89%	91%	88%	89%	89%	87%	88%	87%	87%	87%	85%	85%	85%	83%	84%	69%	66%	71%	65%	68%	60%	59%	66%	58%	61%
Employment Retention Rate ¹	90%	91%	93%	94%	92%	88%	89%	91%	92%	90%	86%	87%	89%	89%	88%	76%	78%	80%	77%	78%	72%	75%	78%	75%	75%
Average Earnings	\$13,426	\$14,649	\$16,199	\$17,250	\$15,381	\$12,390	\$13,376	\$14,604	\$15,745	\$14,029	\$11,534	\$12,502	\$13,468	\$14,230	\$12,933	\$9,113	\$9,086	\$9,696	\$10,151	\$9,512	\$9,017	\$8,400	\$9,140	\$10,151	\$9,177
Employment and Credential Rate	83%	81%	81%	80%	81%	78%	76%	76%	75%	77%	75%	71%	76%	70%	73%	57%	59%	59%	39%	53%	50%	58%	55%	29%	48%
WIA Dislocated Workers																									
Entered Employment Rate	93%	93%	93%	95%	94%	91%	91%	92%	92%	92%	89%	89%	90%	90%	90%	76%	71%	74%	72%	73%	69%	63%	66%	65%	66%
Employment Retention Rate ¹	94%	95%	98%	97%	96%	93%	94%	96%	95%	94%	92%	93%	94%	94%	93%	81%	84%	85%	82%	83%	73%	82%	81%	81%	79%
Average Earnings	\$17,283	\$17,778	\$17,975	\$18,904	\$17,985	\$16,499	\$16,792	\$17,220	\$17,860	\$17,093	\$15,409	\$15,708	\$16,225	\$16,625	\$15,992	\$11,656	\$11,902	\$12,422	\$12,693	\$12,168	\$10,434	\$10,911	#####	\$11,750	\$11,102
Employment and Credential Rate	86%	83%	84%	83%	84%	81%	79%	83%	78%	80%	78%	76%	79%	73%	76%	60%	57%	53%	42%	53%	51%	50%	40%	37%	44%
Wagner-Peyser																									
Entered Employment Rate	79%	75%	76%	89%	80%	74%	73%	73%	86%	77%	71%	69%	71%	83%	73%	57%	50%	54%	64%	56%	47%	44%	48%	58%	49%
Employment Retention Rate	88%	84%	86%	93%	88%	86%	83%	85%	91%	86%	85%	82%	83%	87%	84%	76%	68%	77%	80%	75%	75%	63%	76%	75%	72%
WIA Older Youth																									
Entered Employment Rate	92%	87%	89%	97%	91%	86%	83%	87%	84%	85%	82%	81%	83%	80%	82%	64%	71%	70%	56%	65%	54%	64%	67%	43%	57%
Employment Retention Rate	90%	93%	97%	94%	94%	89%	89%	93%	90%	90%	87%	88%	89%	87%	88%	74%	81%	80%	71%	76%	66%	75%	78%	62%	70%
Credential Rate	78%	67%	65%	68%	69%	69%	62%	64%	62%	64%	64%	61%	61%	55%	60%	40%	50%	38%	29%	39%	31%	42%	30%	21%	31%
WIA Younger Youth																									
Skill Attainment Rate	97%	93%	94%	98%	96%	93%	90%	93%	95%	93%	89%	87%	91%	90%	89%	73%	70%	73%	59%	69%	69%	65%	69%	46%	62%
Diploma Attainment Rate	90%	84%	88%	85%	87%	82%	80%	85%	80%	82%	76%	75%	80%	75%	76%	49%	45%	54%	44%	48%	34%	35%	48%	30%	37%
Retention Rate	86%	86%	89%	85%	86%	80%	81%	84%	81%	81%	76%	77%	79%	76%	77%	59%	52%	60%	58%	57%	53%	42%	56%	53%	51%
Customer Satisfaction																									
Participants	90	91	92	89	90	88	88	89	86	88	85	85	86	77	83	73	68	75	74	72	69	59	74	73	69
Employers	89	88	88	91	89	86	85	86	87	86	81	81	82	83	82	65	63	68	70	66	56	54	65	69	61

Source: WIA State Annual Reports and Wagner-Peyser State Quarterly Report

¹ Common Measures performance estimates derived from Workforce Investment Act Standardized Record Data (WIASRD)

ATTACHMENT IV

Average Six Months Earnings for WIA Adult and WIA Dislocated Worker Programs¹

State	WIA Adult Program							WIA Dislocated Worker Program						
	PY 2002 ²	PY 2003 ²	PY 2004 ²	PY 2005 ²	PY 2006	PY 2007	PY 2008	PY 2002 ²	PY 2003 ²	PY 2004 ²	PY 2005 ²	PY 2006	PY 2007	PY 2008
Nation	\$9,396	\$10,348	\$10,773	\$11,208	\$11,869	\$13,575	\$12,576	\$12,998	\$13,803	\$14,003	\$14,150	\$14,265	\$15,188	\$14,787
AK	\$10,539	\$13,506	\$12,606	\$13,008	\$13,595	\$14,689	\$16,756	\$14,675	\$18,606	\$16,271	\$15,907	\$19,079	\$19,972	\$19,972
AL	\$8,859	\$11,506	\$13,094	\$8,974	\$9,859	\$11,092	\$11,101	\$10,677	\$11,642	\$12,653	\$12,861	\$13,471	\$14,805	\$14,805
AR	\$9,077	\$10,005	\$12,634	\$11,861	\$12,428	\$12,898	\$13,717	\$10,311	\$11,172	\$12,518	\$12,228	\$13,090	\$14,428	\$14,428
AZ	\$9,434	\$9,439	\$9,409	\$10,330	\$12,117	\$12,263	\$12,831	\$12,077	\$13,206	\$13,533	\$14,792	\$15,598	\$15,010	\$15,010
CA	\$10,397	\$10,483	\$11,680	\$12,396	\$15,732	\$16,640	\$16,364	\$14,945	\$15,030	\$15,311	\$15,726	\$16,321	\$16,978	\$16,978
CO	\$9,172	\$11,037	\$10,512	\$11,274	\$11,587	\$14,286	\$14,904	\$13,410	\$15,269	\$16,040	\$15,980	\$15,282	\$15,717	\$15,717
CT	\$10,243	\$9,517	\$9,818	\$11,004	\$12,298	\$11,463	\$11,810	\$15,775	\$14,159	\$16,193	\$16,336	\$16,726	\$16,945	\$16,945
DC	\$8,478	\$8,971	\$8,924	\$10,220	\$10,830	\$12,633	\$12,168	\$14,209	\$13,816	\$15,059	\$14,027	\$13,697	\$15,570	\$15,570
DE	\$8,586	\$9,518	\$9,272	\$10,075	\$10,612	\$9,915	\$9,658	\$12,374	\$12,058	\$12,987	\$12,979	\$12,906	\$13,369	\$13,369
FL	\$9,690	\$11,367	\$12,118	\$15,108	\$16,439	\$19,531	\$21,583	\$12,799	\$13,720	\$14,140	\$14,480	\$15,844	\$16,887	\$16,887
GA	\$8,716	\$9,102	\$10,284	\$10,644	\$10,573	\$12,046	\$11,904	\$11,151	\$13,024	\$13,940	\$14,244	\$13,897	\$14,682	\$14,682
HI	\$8,987	\$9,137	\$10,087	\$10,186	\$10,951	\$12,451	\$13,403	\$12,435	\$12,434	\$12,941	\$12,868	\$14,640	\$15,072	\$15,072
IA	\$9,049	\$9,344	\$9,511	\$9,598	\$10,319	\$10,233	\$11,324	\$11,296	\$11,791	\$12,230	\$11,880	\$12,401	\$12,856	\$12,856
ID	\$9,229	\$8,921	\$9,413	\$10,391	\$10,232	\$11,796	\$12,773	\$12,940	\$12,417	\$13,266	\$13,094	\$13,364	\$14,164	\$14,164
IL	\$9,585	\$9,985	\$10,198	\$10,759	\$11,288	\$11,802	\$12,340	\$13,676	\$15,034	\$15,333	\$15,413	\$15,828	\$16,358	\$16,358
IN	\$9,348	\$10,159	\$10,149	\$10,370	\$10,461	\$11,893	\$11,274	\$12,839	\$14,980	\$14,189	\$14,577	\$13,652	\$14,753	\$14,753
KS	\$8,950	\$10,105	\$11,281	\$11,419	\$13,451	\$12,960	\$15,562	\$12,294	\$14,804	\$15,539	\$15,621	\$15,417	\$15,170	\$15,170
KY	\$9,381	\$9,612	\$10,081	\$10,634	\$12,179	\$15,928	\$16,012	\$12,066	\$11,668	\$11,950	\$13,296	\$13,436	\$13,338	\$13,338
LA	\$8,764	\$9,277	\$10,063	\$10,194	\$12,082	\$12,537	\$12,613	\$11,083	\$11,227	\$11,544	\$12,179	\$13,459	\$14,554	\$14,554
MA	\$9,515	\$9,849	\$10,018	\$10,581	\$10,426	\$10,666	\$11,122	\$13,972	\$14,756	\$16,643	\$16,615	\$17,486	\$17,513	\$17,513
MD	\$10,501	\$11,431	\$12,240	\$12,740	\$12,096	\$12,245	\$14,115	\$14,307	\$15,902	\$17,269	\$15,919	\$15,574	\$15,713	\$15,713
ME	\$8,959	\$9,220	\$9,312	\$9,247	\$9,701	\$9,989	\$9,665	\$10,932	\$10,760	\$12,919	\$11,164	\$12,285	\$11,916	\$11,916
MI	\$9,096	\$9,617	\$9,388	\$9,651	\$10,316	\$10,099	\$10,939	\$12,598	\$12,674	\$12,336	\$12,914	\$12,797	\$13,768	\$13,768
MN	\$9,319	\$10,035	\$10,539	\$10,661	\$11,203	\$12,466	\$12,715	\$15,434	\$16,498	\$16,300	\$16,143	\$17,003	\$17,528	\$17,528
MO	\$8,101	\$8,589	\$8,658	\$9,178	\$9,414	\$10,466	\$10,908	\$12,651	\$13,165	\$12,590	\$13,257	\$12,830	\$14,460	\$14,460
MS	\$8,313	\$8,333	\$8,450	\$8,871	\$9,334	\$9,818	\$10,999	\$9,346	\$9,659	\$9,663	\$10,169	\$10,597	\$11,148	\$11,148
MT	\$8,468	\$7,936	\$9,697	\$9,758	\$11,398	\$13,825	\$13,036	\$13,127	\$13,014	\$13,888	\$13,964	\$13,582	\$17,107	\$17,107
NC	\$9,133	\$9,110	\$9,669	\$9,893	\$10,259	\$11,634	\$12,450	\$11,229	\$11,858	\$12,217	\$13,714	\$13,487	\$13,683	\$13,683
ND	\$7,801	\$7,809	\$8,332	\$9,447	\$9,235	\$10,499	\$10,543	\$11,328	\$10,832	\$11,164	\$12,338	\$12,388	\$12,042	\$12,042
NE	\$7,887	\$9,387	\$9,505	\$9,839	\$9,924	\$10,582	\$10,464	\$12,647	\$12,676	\$13,342	\$12,919	\$14,194	\$14,301	\$14,301
NH	\$9,485	\$11,009	\$10,544	\$9,947	\$9,104	\$9,211	\$9,414	\$13,389	\$17,111	\$15,121	\$17,111	\$13,159	\$15,903	\$15,903
NJ	\$9,928	\$10,533	\$11,209	\$11,945	\$11,885	\$12,177	\$12,127	\$13,821	\$14,189	\$15,815	\$16,272	\$15,706	\$15,698	\$15,698
NM	\$8,946	\$9,234	\$10,158	\$11,007	\$10,658	\$11,877	\$13,685	\$11,223	\$11,800	\$13,315	\$12,739	\$14,248	\$13,914	\$13,914
NV	\$9,536	\$8,537	\$10,437	\$9,767	\$11,025	\$11,934	\$13,232	\$13,575	\$15,004	\$14,723	\$13,727	\$14,199	\$15,839	\$15,839
NY	\$10,134	\$10,969	\$11,639	\$12,164	\$10,841	\$15,368	\$16,597	\$14,815	\$15,182	\$15,138	\$14,716	\$14,158	\$17,457	\$17,457
OH	\$13,409	\$14,218	\$14,221	\$14,718	\$14,860	\$15,040	\$15,324	\$15,618	\$17,021	\$17,093	\$17,057	\$16,744	\$17,451	\$17,451
OK	\$9,311	\$9,422	\$10,206	\$10,452	\$11,701	\$11,376	\$12,113	\$11,871	\$12,020	\$12,842	\$13,118	\$12,767	\$13,569	\$13,569
OR	\$8,354	\$9,323	\$9,938	\$9,990	\$10,053	\$10,704	\$11,584	\$11,719	\$12,425	\$12,812	\$12,919	\$13,352	\$13,960	\$13,960
PA	\$8,844	\$9,762	\$10,184	\$11,540	\$12,177	\$12,469	\$11,824	\$12,975	\$13,741	\$14,581	\$15,460	\$15,142	\$14,901	\$14,901
PR	\$4,629	\$5,835	\$7,149	\$7,158	\$5,753	\$6,898	\$6,384	\$4,925	\$5,638	\$5,847	\$6,959	\$6,129	\$7,740	\$7,740
RI	\$9,757	\$10,608	\$10,653	\$10,378	\$11,213	\$12,507	\$11,487	\$13,161	\$13,099	\$13,324	\$14,691	\$13,273	\$13,986	\$13,986
SC	\$8,429	\$8,774	\$9,071	\$9,240	\$9,268	\$9,416	\$10,522	\$10,425	\$11,107	\$11,283	\$12,252	\$11,749	\$12,172	\$12,172
SD	\$7,402	\$8,277	\$8,954	\$9,978	\$10,277	\$10,745	\$10,121	\$10,328	\$11,333	\$11,348	\$12,388	\$12,317	\$13,193	\$13,193
TN	\$9,814	\$17,178	\$14,595	\$11,860	\$12,692	\$13,137	\$13,581	\$12,118	\$20,922	\$16,898	\$12,586	\$12,970	\$13,272	\$13,272
TX	\$9,255	\$10,257	\$10,591	\$11,248	\$11,658	\$12,243	\$11,831	\$12,533	\$13,407	\$12,859	\$13,598	\$13,893	\$14,319	\$14,319
UT	\$9,540	\$9,271	\$9,031	\$9,029	\$12,094	\$12,108	\$13,320	\$13,674	\$13,250	\$13,794	\$15,022	\$15,611	\$14,457	\$14,457
VA	\$7,804	\$9,812	\$9,253	\$9,031	\$9,168	\$9,924	\$10,816	\$12,371	\$13,665	\$13,147	\$12,651	\$12,593	\$13,368	\$13,368
VT	\$9,822	\$9,730	\$10,427	\$10,611	\$12,107	\$12,647	\$11,829	\$13,440	\$14,285	\$14,947	\$13,174	\$14,969	\$15,502	\$15,502
WA	\$9,710	\$10,387	\$10,394	\$11,100	\$11,928	\$12,159	\$16,881	\$14,477	\$15,383	\$16,022	\$17,295	\$18,566	\$17,928	\$17,928
WI	\$7,965	\$7,918	\$9,073	\$9,441	\$9,432	\$9,581	\$10,942	\$13,116	\$13,547	\$13,829	\$13,836	\$13,846	\$14,513	\$14,513
WV	\$9,447	\$7,549	\$9,378	\$9,610	\$10,509	\$11,246	\$10,791	\$13,060	\$10,641	\$14,979	\$12,770	\$13,318	\$15,392	\$15,392
WY	\$8,173	\$9,775	\$10,724	\$10,215	\$13,817	\$12,907	\$14,506	\$12,199	\$11,121	\$14,140	\$11,996	\$14,492	\$14,589	\$14,589

Source: Estimates using Workforce Investment Act Standardized Record Data (WIASRD) PY 2002 - PY 2008

¹These estimates do not include NEG-only participants. However, they incorporate those who receive both WIA Title 1B and NEG assistance.

² Average earnings figures from PY 2002 - 2005 are approximations based on Workforce Investment Act Standardized Record Data. Earnings were measured as an earnings change for the WIA Adult and Dislocated Worker programs from PY 2002-2005 before changing to average earnings in PY 2006.

ATTACHMENT V

Estimates of Six Months Average Earnings by State Using BLS-QCEW Program Data

	CY 2003		CY 2004		CY 2005		CY 2006		CY 2007		CY 2008	
	Annual Avg. Employment	Estimated ¹ 6-Month Avg. Earnings	Annual Avg. Employment	Estimated ¹ 6-Month Avg. Earnings	Annual Avg. Employment	Estimated ¹ 6-Month Avg. Earnings	Annual Avg. Employment	Estimated ¹ 6-Month Avg. Earnings	Annual Avg. Employment	Estimated ¹ 6-Month Avg. Earnings	Annual Avg. Employment	Estimated ¹ 6-Month Avg. Earnings
US ²	107,792,549	\$18,754	109,233,923	\$19,567	111,361,684	\$20,253	134,870,635	\$19,748	136,382,469	\$20,613	134,805,659	\$22,782
AK	215,626	\$18,252	220,849	\$18,853	226,441	\$19,409	307,637	\$20,875	310,810	\$21,986	315,285	\$22,903
AL	1,483,039	\$15,784	1,509,246	\$16,408	1,548,068	\$17,004	1,928,281	\$18,102	1,952,091	\$18,746	1,936,489	\$19,367
AR	930,765	\$14,247	942,044	\$14,901	957,385	\$15,389	1,167,925	\$16,195	1,173,852	\$17,059	1,172,208	\$17,460
AZ	1,902,998	\$17,301	1,980,818	\$18,104	2,107,545	\$18,853	2,614,344	\$20,010	2,647,691	\$20,776	2,583,215	\$21,259
CA	12,447,085	\$20,932	12,609,942	\$22,022	12,877,981	\$22,842	15,503,144	\$24,173	15,640,575	\$25,269	15,494,915	\$25,744
CO	1,776,722	\$19,445	1,800,646	\$20,103	1,843,544	\$20,796	2,242,012	\$21,753	2,292,630	\$22,698	2,310,865	\$23,307
CT	1,390,345	\$24,467	1,398,093	\$25,815	1,409,194	\$26,839	1,672,109	\$27,407	1,686,043	\$29,015	1,687,902	\$29,198
DC	421,101	\$28,038	429,176	\$29,589	435,674	\$30,799	671,143	\$35,075	678,119	\$36,725	685,069	\$38,259
DE	347,500	\$20,442	356,173	\$21,171	361,184	\$22,296	422,187	\$23,142	423,412	\$23,654	423,083	\$23,785
FL	6,213,122	\$16,457	6,423,693	\$17,219	6,694,864	\$18,048	7,952,023	\$19,242	7,945,162	\$19,873	7,666,374	\$20,284
GA	3,156,763	\$18,432	3,206,888	\$19,123	3,288,867	\$19,757	4,024,699	\$20,185	4,077,184	\$21,089	4,031,467	\$21,293
HI	454,089	\$15,987	468,748	\$16,792	487,265	\$17,282	618,178	\$18,899	625,862	\$19,733	619,703	\$20,338
IA	1,177,501	\$15,110	1,195,269	\$15,838	1,218,487	\$16,326	1,470,742	\$17,160	1,485,627	\$17,869	1,490,575	\$18,482
ID	468,484	\$14,136	482,745	\$14,713	505,098	\$15,220	643,671	\$16,290	660,683	\$16,772	653,108	\$16,949
IL	4,887,063	\$20,287	4,895,801	\$21,159	4,942,881	\$21,926	5,821,022	\$22,825	5,869,157	\$23,843	5,841,692	\$24,360
IN	2,427,271	\$16,697	2,451,737	\$17,364	2,476,047	\$17,732	2,892,419	\$18,277	2,905,725	\$18,764	2,872,442	\$19,202
KS	1,048,871	\$15,897	1,058,858	\$16,506	1,067,241	\$17,132	1,327,677	\$17,848	1,356,966	\$18,522	1,366,878	\$19,089
KY	1,423,208	\$15,829	1,439,029	\$16,462	1,464,009	\$16,868	1,779,202	\$17,600	1,801,907	\$18,240	1,791,017	\$18,717
LA	1,493,180	\$15,307	1,500,416	\$15,861	1,483,085	\$16,759	1,807,563	\$18,302	1,868,986	\$19,115	1,890,007	\$20,191
MA	2,739,212	\$23,285	2,739,861	\$24,614	2,758,287	\$25,213	3,194,914	\$26,217	3,234,357	\$27,622	3,245,983	\$28,373
MD	1,983,840	\$19,578	2,014,285	\$20,506	2,048,799	\$21,390	2,530,011	\$23,081	2,547,351	\$24,121	2,537,752	\$24,768
ME	492,329	\$15,115	497,523	\$15,697	495,573	\$16,052	598,525	\$16,897	602,321	\$17,565	602,074	\$18,159
MI	3,679,892	\$19,742	3,665,091	\$20,202	3,664,372	\$20,562	4,235,650	\$21,079	4,179,122	\$21,679	4,070,914	\$22,123
MN	2,206,420	\$19,347	2,230,302	\$20,290	2,266,499	\$20,483	2,670,222	\$21,093	2,687,482	\$22,188	2,679,527	\$22,913
MO	2,200,623	\$16,972	2,213,813	\$17,512	2,247,382	\$18,102	2,699,860	\$18,571	2,719,380	\$19,302	2,715,183	\$20,181
MS	864,109	\$13,569	871,265	\$14,016	877,853	\$14,600	1,122,474	\$15,597	1,135,336	\$16,146	1,131,096	\$16,754
MT	314,240	\$12,830	323,727	\$13,305	334,143	\$13,968	426,182	\$15,298	436,656	\$16,112	437,591	\$16,653
NC	3,093,372	\$16,657	3,141,074	\$17,317	3,208,940	\$17,882	3,965,479	\$18,719	4,062,955	\$19,455	4,043,486	\$19,870
ND	251,672	\$13,599	258,025	\$14,303	264,609	\$14,789	335,718	\$15,658	341,705	\$16,543	350,440	\$17,538
NE	724,281	\$14,962	730,413	\$15,527	739,567	\$16,002	902,383	\$16,907	916,580	\$17,619	922,929	\$18,122
NH	520,458	\$18,843	529,498	\$19,771	536,157	\$20,512	627,371	\$21,224	630,204	\$21,932	628,763	\$22,456
NJ	3,262,121	\$22,990	3,274,157	\$23,817	3,308,847	\$24,560	3,951,210	\$25,822	3,961,341	\$26,927	3,934,789	\$27,640
NM	570,868	\$14,470	582,169	\$15,045	597,145	\$15,672	807,063	\$17,284	821,484	\$18,190	825,736	\$18,955
NV	949,334	\$17,160	1,010,267	\$18,055	1,075,087	\$18,941	1,271,634	\$20,035	1,284,502	\$21,075	1,252,987	\$21,492
NY	6,803,570	\$23,951	6,854,296	\$25,397	6,928,662	\$26,489	8,429,519	\$27,739	8,554,012	\$29,720	8,608,351	\$30,144
OH	4,524,065	\$17,303	4,533,380	\$17,964	4,555,293	\$18,415	5,314,572	\$19,284	5,306,812	\$19,746	5,235,972	\$20,392
OK	1,120,680	\$14,632	1,130,802	\$15,225	1,158,861	\$15,779	1,507,196	\$17,011	1,534,802	\$19,959	1,550,489	\$18,642
OR	1,314,854	\$16,909	1,344,751	\$17,513	1,386,917	\$18,115	1,699,932	\$19,039	1,727,886	\$19,785	1,713,764	\$20,250
PA	4,753,844	\$18,241	4,781,005	\$19,033	4,837,168	\$19,632	5,607,139	\$20,675	5,652,547	\$21,620	5,658,771	\$22,191
PR	726,994	\$10,159	743,857	\$10,435	750,665	\$10,762	1,036,802	\$11,854	1,016,362	\$12,371	1,001,120	\$12,777
RI	407,764	\$17,432	412,149	\$17,984	414,842	\$18,533	480,570	\$20,227	480,132	\$20,823	469,701	\$21,515
SC	1,454,329	\$15,121	1,476,668	\$15,654	1,500,676	\$16,210	1,855,842	\$17,141	1,891,255	\$17,697	1,876,081	\$18,126
SD	295,714	\$13,376	300,583	\$13,896	306,681	\$14,328	383,876	\$15,146	392,060	\$15,828	397,108	\$16,411
TN	2,204,879	\$16,748	2,246,911	\$17,429	2,286,964	\$17,930	2,728,694	\$18,782	2,745,099	\$19,541	2,721,990	\$19,998
TX	7,587,587	\$18,721	7,695,635	\$19,550	7,926,772	\$20,440	9,922,313	\$21,229	10,231,906	\$22,348	10,452,907	\$22,970
UT	857,043	\$15,261	884,984	\$15,795	925,300	\$16,414	1,170,587	\$17,565	1,219,207	\$18,527	1,221,052	\$18,990
VA	2,788,213	\$19,071	2,859,017	\$20,058	2,931,169	\$20,969	3,636,417	\$22,025	3,672,958	\$22,998	3,665,654	\$23,621
VT	244,595	\$15,786	248,057	\$16,361	249,757	\$16,824	303,205	\$17,771	303,448	\$18,478	302,627	\$19,164
WA	2,157,934	\$19,337	2,196,183	\$19,409	2,264,776	\$20,113	2,850,073	\$21,449	2,925,908	\$22,511	2,950,773	\$23,285
WI	2,307,228	\$16,499	2,335,623	\$17,194	2,365,071	\$17,558	2,767,141	\$18,411	2,780,924	\$19,025	2,772,889	\$19,560
WV	542,349	\$14,179	550,559	\$14,788	558,749	\$15,272	705,189	\$16,364	706,172	\$17,053	709,657	\$17,994
WY	183,403	\$14,574	187,822	\$15,329	195,241	\$16,310	266,894	\$18,331	277,721	\$19,627	286,333	\$20,744

Data Source: BLS Quarterly Census of Employment and Wages, Annual Averages, 2010. <http://www.bls.gov/cew>

¹ Average Annual Wages, which are used to compute the Estimated 6 Months Average Earnings, are obtained through taking Total Annual Wages and dividing them by the Average Annual Employment

² Aggregated National data incorporates all 50 States as well as territories

ATTACHMENT VI

MULTIVARIATE ADJUSTMENT FACTORS

(Economic and Demographic Variables)

Relationship between Performance Outcomes and Unemployment Rates and Customer Characteristics

Effects on Performance of a One Percentage Point Increase in:

	Unemployment Rate	Percent female	Percent Age 55 or Older	Percent Not High School Graduate	Percent Low Income	Percent Disabled
Adult						
Entered Employment	-1.25	-0.004	-0.079	-0.062	-0.037	-0.102
Retention	-0.7	0.024	-0.027	-0.051	-0.041	-0.034
Earnings	-288	-21	-4	-22	-23	-14
Credentials	-1.2	-0.015	-0.037	-0.056	-0.013	-0.039
Dislocated Worker						
Entered Employment	-0.7	-0.003	-0.099	-0.035	---	-0.053
Retention	-0.9	0.008	-0.029	-0.023	---	-0.027
Earnings	-226	-40	-11	-28	---	-15
Credentials	0	-0.026	-0.038	-0.043	---	-0.020
Older Youth						
			Age 19		Basic Skill Deficiency	
Entered Employment	-0.5	-0.019	-0.005	-0.112	-0.016	-0.089
Retention	-0.7	0	0	-0.074	-0.014	0
Earnings	-122	-9	-6	-13	-6	-13
Credentials	0	0.024	0	-0.010	-0.029	-0.012
Younger Youth						
			Age 14 or 15	High School Dropout	Basic Skill Deficiency	
Skill Attainment	0	0.008	-0.020	-0.092	-0.058	0.011
Diploma Attainment	-1.72	0.032	-0.082	-0.299	-0.108	0.031
Retention	0	0.009	-0.060	-0.115	-0.031	-0.059
Youth Common Measures						
			Age 19-21	High School Dropout	Basic Skill Deficiency	
Literacy/Numeracy	-2.4	0	-0.023	0	---	0
			Age 14-15	Attending high school		
Placement: employment/education	-1.4	0.012	-0.194	-0.08	-0.047	-0.052
Attained degree or certificate	-2.1	0.028	-0.212	0.097	-0.066	0

Note: All non-zero estimates are statistically significant at the 1% level.

Explanation of the Estimated Effects of Customer Characteristics and Unemployment Rates on WIA Performance Measures

The estimates in Attachment VI show how unemployment rates and selected customer characteristics affect performance outcomes. These estimates can inform negotiation discussions about the impact of changes in the economic environment and customer characteristics on state performance.

Performance measures shown in the table follow the standard definitions for the WIA common measures. These measures were computed using individual participant data obtained from WIASRD. The performance measures shown in the table were defined as follows.

- Adults and dislocated workers
 - Entered employment uses the common measures definition and reflects the use of supplemental data
 - Retention uses the common measures definition and reflects the use of the supplemental data
 - Average earnings uses the common measures definition
 - Credentials measure uses the TEGl 17-05 definition and uses supplemental data to determine employment
- Older and Younger Youth
 - All measures are based on TEGl 17-05 definitions and use supplemental data where appropriate.
- Youth
 - Common measures are based on the current definitions. Literacy and numeracy are based on definition for first year of implementation.

The estimated effects of customer characteristics and unemployment rates on performance outcomes were derived using quarterly WIASRD data. For all programs except younger youth, the estimates are based on data from 2000:Q3-2008:Q1; for younger youth, the estimates are based on data from 2006:Q1-2008:Q1. These relationships are based on the same time period and database that were used to estimate the effects of unemployment rates on the national performance targets incorporated in the President's 2011 budget.

Performance outcomes of each individual exiter were regressed against the five customer characteristics and the local unemployment rates. A separate model was estimated for each performance measure for each program. Including all six factors in the same estimation, referred to as multi-variate estimation, controls for the effects of the other factors on the performance measure.

The estimates can be interpreted as the effect on the performance measure of a one percentage point change in the customer characteristic or the unemployment rate. For instance, if a state were interested in the estimated effect of percent low income on entered employment for the Adult program, it would interpret the coefficient of -0.037 to mean that a one percentage point increase in the percent of low-income customers would be expected to lower the entered employment rate by 0.037 percentage points, holding all the other five factors and the unemployment rate the same. Therefore, even if low-income participants were also highly likely

not to have graduated from high school, the estimate of -0.037 pertains only to the fact that the individual is low-income.

If each factor were regressed in a separate equation, as in bi-variate estimation, the estimated effect of any one factor would include the influence of all the others to the extent they are correlated with the factor included in the equation. However, for multi-variate estimation, if one wanted to compute the effect of an increase in the percentage without a high school education together with an increase in the percentage of low-income customers, one would combine the two estimates (-0.062 plus -0.037 equals -0.099). A bi-variate equation has one response or dependent variable, and one predictor or independent variable, and the relationship between the two is represented by a straight line. Building a bi-variate linear regression model to represent the relationship between two variables by a straight line involves determining the coefficients of that line, a process known as "fitting" the regression line. This type of model presents a limited model because it only accounts for a factor correlated with another factor in the equation.

A change in the unemployment rate generally has a relatively large effect on the performance measures. For example, in the case of the entered employment rate for the WIA Adult program, a one percentage point increase in the unemployment rate lowers the entered employment rate by 1.25 percentage points. That is, if the unemployment rate increased from 8 to 9 percent, say, the entered employment rate is expected to decline from 68 percent to 66.75 percent.

It takes a larger change in the customer characteristics to have a material effect on the performance measures. For example, a one percentage point increase in the percentage without a high school education would lead to a 0.062 percentage point decline in entered employment rate for WIA Adult customers. That is, if the percentage without a high school education increased from 20 percent to 21 percent, the entered employment rate is expected to decline from 68 percent to 67.94. Increasing the change to a 10 percentage point increase in those without a high school education would result in a drop in entered employment from 68 percent to 67.38 percent. The combined effect of a 10 percent increase in each of the two factors (the change in unemployment and percent without a high school education) would reduce entered employment from 68 percent 67 percent (-0.062 plus -0.037 equals -0.099).

Definitions of the customer characteristics are consistent with those in the WIASRD.

- A participant is defined as **disabled** if he or she indicates a disability such as a physical or mental impairment that substantially limits one or more of the person's life activities, as defined in the Americans with Disability Act of 1990
- A participants is defined as **not a high school graduate** if he or she completed none or some elementary/secondary school grades but did not receive a high school diploma or GED
- A person is defined as **low-income** if he or she receives cash payments under a Federal, state, or local income-based public assistance; or received an income (or part of a family that did) that does not exceed the higher of the poverty line or 70 percent of the lower living standard income level; is a member of a household that receives food stamps; qualifies as a homeless individual; or is a person with a disability whose own income meets the income criteria established by WIA.

- The **unemployment rate** is the rate that a participant faces in his or her local labor market, defined as the local workforce investment area, as provided by each state's LMI agency.

ATTACHMENT VII

TIME PERIODS FOR REPORTING PERFORMANCE INFORMATION IN THE WIA ANNUAL REPORT FOR PY 2009 AND PY 2010

	Annual Report PY 2009	Annual Report PY 2010
Reporting Item	Time Period (Exit Cohort) to Be Reported	
Total Participants	7/1/09 to 6/30/10	7/1/10 to 6/30/11
Total Exiters	4/1/09 to 3/31/10	4/1/10 to 3/31/11
Employer Customer Satisfaction	1/1/09 to 12/31/09	1/1/10 to 12/31/10
Participant Customer Satisfaction	1/1/09 to 12/31/09	1/1/10 to 12/31/10
Adult and Dislocated Worker Performance Measures		
Entered Employment Rate	10/1/08 to 9/30/09	10/1/09 to 9/30/10
Employment Retention Rate	4/1/08 to 3/31/09	4/1/09 to 3/31/10
Six Months Average Earnings	4/1/08 to 3/31/09	4/1/09 to 3/31/10
Employment and Credential Rate	10/1/08 to 9/30/09	10/1/09 to 9/30/10
Older Youth Performance Measures		
Entered Employment Rate	10/1/08 to 9/30/09	10/1/09 to 9/30/10
Employment Retention Rate	4/1/08 to 3/31/09	4/1/09 to 3/31/10
Earnings Change	4/1/08 to 3/31/09	4/1/09 to 3/31/10
Employment and Credential Rate	10/1/08 to 9/30/09	10/1/09 to 9/30/10
Younger Youth Performance Measures		
Skill Attainment Rate	4/1/09 to 3/31/10	4/1/10 to 3/31/11
Youth Diploma or Equivalent Rate	4/1/09 to 3/31/10	4/1/10 to 3/31/11
Retention Rate	4/1/08 to 3/31/09	4/1/09 to 3/31/10